

63J-9-101. Title.

This chapter is known as the "Nonprofit Entity Receipt of State Money Act."

Enacted by Chapter 341, 2014 General Session

63J-9-102. Definitions.

As used in this chapter:

(1) "Bylaws" means the one or more codes of rules, other than the articles of incorporation, adopted for the regulation or management of the affairs of a nonprofit entity irrespective of the one or more names by which the codes of rules are designated.

(2) (a) "Grant" means the furnishing by a state entity of state money to a nonprofit entity.

(b) "Grant" does not include a contract between a state entity and a nonprofit entity to purchase goods or services from the nonprofit entity that was subject to the state procurement process provided in Title 63G, Chapter 6a, Utah Procurement Code.

(3) "Nonprofit entity" means an entity that:

(a) is operated primarily for a scientific purpose, educational purpose, religious purpose, charitable purpose, or similar purpose in the public interest;

(b) is not organized primarily for profit; and

(c) no part of the net earnings of which inures to the benefit of any private shareholder or individual holding an interest in the entity.

(4) "State entity" means a department, commission, board, council, agency, institution, officer, corporation, fund, division, office, committee, authority, laboratory, library, unit, bureau, panel, or other administrative unit of the state.

(5) (a) "State money" means money that is owned, held, or administered by a state entity and derived from state fee or tax revenues.

(b) "State money" does not include contributions or donations received by a state entity.

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63J-9-201. Conditions for providing state grant money to a nonprofit entity.

A state entity may not provide a nonprofit entity state money through a grant, including a pass-through funding grant, unless:

(1) the state entity enters into a written agreement with the nonprofit entity;

(2) the written agreement described in Subsection (1) requires the nonprofit entity to provide the state entity an itemized report at least annually detailing the expenditure of the state money; and

(3) at the time of receipt of the state money the nonprofit entity has:

(a) bylaws that provide for:

(i) the financial oversight of the state money; and

(ii) compliance with state laws related to the state money;

(b) procedures for the governing board of the nonprofit entity to designate an

administrator who manages the state money; and

(c) procedures for the governing board to dismiss the administrator described by Subsection (3)(b).

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63J-9-202. Nonprofit entity's return of state money.

The state entity that provides a nonprofit entity state money in accordance with Section 63J-9-201 may require the nonprofit entity to return to the state entity an amount of money that is equal to the state money that is expended in violation of Section 63J-9-201 if the nonprofit entity fails to comply with the written agreement, bylaws, and procedures required by Section 63J-9-201 during the time period that the nonprofit entity holds or expends the state money.

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